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14 March 1952

MEMORANDUM

TO: Finance Division

25X1A9a FROM: [REDACTED] /OPS/OSO

SUBJECT: Accountability for Balance of Operational Advance

REFERENCE: Finance Division memorandum to [REDACTED] 10 March 1952, same subject

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1. The reference memorandum requests supplementary information in support of my request to your office, dated 2 November 1951, for relief from accountability for the sum of \$100 advanced to me for operational purposes. The information below is keyed to the questions raised by the Deputy Comptroller in his attached memorandum of 6 March 1952 addressed to your office on this subject.

a. I was not merely administratively responsible for the operation in which Mr. [REDACTED] was engaged at the time of his dismissal, but in direct daily control of it, disbursing funds myself and advancing funds to Mr. [REDACTED] and others in small increments to be accounted for to me on a daily basis. It did not seem practicable to me at the time, in the interest of centralized direction of a single operation, to require several different persons engaged in the same operation to draw advance funds directly from Finance Division and to account for them individually. Being newly assigned to OSO and unfamiliar with accounting practices, I was not aware and, under pressure of a literally chaotic operational situation, had no opportunity to discover that it would have been feasible, if somewhat inconvenient in practice, to protect myself by securing a receipt formally transferring accountability to Finance Division each time I passed funds to another officer for operational expenses. After the occurrence of the incident in question I adopted the latter procedure and have since followed it in similar situations. The above explains why I did not do so from the beginning in this case.

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During the two or three days before Mr. [REDACTED] resigned, I consulted informally with an officer of the Confidential Funds Division, who explained that Mr. [REDACTED]'s final pay, though sufficient to cover the \$100.00 indebtedness, could not be attached because I, not Mr. [REDACTED], was officially the accountable person. Mr. [REDACTED], on the other hand, though he protested his firm intention to regard the sum as a debt of honor and to repay me at the latest as soon as he liquidated his Civil Service Retirement account--a matter of several months--was not willing to assume accountability officially, since the deduction, together with his debt to the CIA Federal Credit Union, would have wiped out his final pay and left him without funds or private resources at a time when finding new employment would be difficult. Since Mr. [REDACTED] was in an emotional state of extreme distress at this time and in possession of highly classified information of utmost sensitivity, Colonel Edwards suggested that Mr. [REDACTED], who already felt himself much abused, should not be pressed too closely and stated that he would support my request for relief from accountability at the proper time. I have not since been able to secure payment from Mr. [REDACTED], who has left Washington permanently, in spite of repeated attempts to do so, and, in view of his probable insolvency, I am advised against legal or other stronger action on grounds of continued security risk. It should be added that I have no grounds whatever for action against the other party concerned in his case, and it is in any event likely that his failure to pay the fine, as he was completely unable to do, might equally well have resulted in publicity involving CIA.

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c. It is clear from the above that funds due Mr. [REDACTED] at the time of his separation from CIA could not have been attached to secure payment of the \$100.00 advance. Therefore, although I consulted informally with Finance Division, no formal report to Finance Division could have saved the situation, and it appeared best to defer final accounting in the hope that Mr. [REDACTED] might indeed repay me.

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d. No further steps to insure my observation of sound procedures in the handling of further advances made to me are believed necessary.

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[REDACTED]